# California State Library Library Services and Technology Act

# Quarterly Fiscal Report (LSTA Form 8) Instructions

# 1. Completing the Quarterly Fiscal Report:

# a. The columns for reporting are:

# (1) Current Approved Budget

Enter total amount of budgeted funds for the grant year as awarded or as subsequently modified.

# (2) through (5) Quarterly Expenditures/Encumbrances

Note the display of quarterly periods in the top left corner of the form. Check the appropriate quarter for each report, and enter amounts in the corresponding column. For the purposes of this report, include encumbrances made during the program year together with expenditures in columns 2-5 for each three-month period.

# (6) Total Expended/Encumbered

For each row containing a budget item, add the entries for each quarter across columns 2, 3, 4, and 5 and enter the result in column 6, updating the total each successive quarter.

# (7) Outstanding Encumbrances at Close of 4<sup>th</sup> Quarter

This column is used only at the close of the funded project period, the 4th quarter report. Enter the total of all encumbrances outstanding after the project end date, i.e., expenses which have not at the time of this report been liquidated.

# (8) Liquidation of Outstanding Project End Encumbrances

If outstanding encumbrances are identified in the 4<sup>th</sup> quarter report, a final liquidation report is required. This column is used for that submission, to report liquidation of encumbrances or obligations that were shown in the fourth quarter report.

#### (9) Unexpended/Unencumbered Balance

Enter in each quarter's report, the unexpended or unencumbered balance of LSTA funds awarded. [Column (1) minus column (6) equals column (9)]. Only "0" may appear in this column in a separate liquidation report if one is submitted. These funds will be returned to the California State Library, according to instructions provided.

#### b. The rows for reporting are:

#### (a) Salaries and Benefits

Total salaries and benefits for all project staff, except staff under contract. (Funds for contract staff are budgeted under operating expenses, row d.)

#### (b) Library Materials

Books, periodicals, audiovisual formats, microforms, other library materials and computer software.

#### (c) Equipment

Any item which costs over \$5,000 per unit.

# (d) Operating expenses

Contract services including database, reference services, publicity, maintenance of equipment and vehicles, building equipment lease and rental. Also, include expense for employees or consultants on

contract. Other operating expenses: office and library supplies; communications costs; small equipment (i.e., costing less than \$5,000); duplication, travel; etc.

(e) Indirect costs

Administrative charges or indirect costs as approved in the award letter.

2. Follow the link below to view important due dates in the LSTA Grant Guide for your project. <a href="http://www.library.ca.gov/grants/lsta/manage.html">http://www.library.ca.gov/grants/lsta/manage.html</a>

#### 3. Background Information

- a. Accounting System: The fiscal agency of the grantee is responsible for providing an accounting system that conforms to generally accepted accounting principles with established procedures. The system must support responsible project management and facilitate the submission of timely and accurate financial reports. Records of LSTA grants and grant years must be <u>separately</u> maintained and be readily available. The system must provide supporting documentation to substantiate allowable program costs throughout the life of the project.
- b. Retention of Records: Financial records for LSTA projects must be retained by the grantee for a period of three (3) years from the date the final expenditure report has been submitted.
- c. Equipment: The minimum value per item of Equipment is \$5,001. Approved items costing \$5,000 or under are considered small equipment and are reported under operating expenses.
- 4. Budget Changes: The grantee is given the opportunity during the period of the project to respond to local or unforeseen developments by adjusting the categories of the approved budget.
  - a. Adjustments less than 10% within the grant budget must be discussed in advance with the assigned grant monitor.
  - b. Adjustments greater than 10% within the grant budget must be discussed in advance with the grant monitor, and a Grant Award Modification (LSTA Form 4), must be submitted for approval.
  - c. Augmentations or decreases of the total grant budget must be discussed with the grant monitor, and a Grant Award Modification (LSTA 4) form must be submitted for approval.
- 5. Expenditures and Encumbrances: Expenditures and encumbrances are shown together on the Quarterly Report Financial Statement. On this report any valid encumbrance should be shown in the expenditure/encumbrance column. Encumbrances are shown separately only if they are carried beyond the close of the project period.
  - a. Under federal regulations, an encumbrance or obligation is defined as a binding written commitment to do the following, which action occurs in the future:
    - Acquire real or personal property.
    - Obtain personal services by a contractor who is not an employee of the State or grantee.
    - Obtain the performance of work other than personal services.
  - b. The following, therefore, are not considered legal encumbrances and their actions cannot occur beyond the date of encumbrance:
    - Personal services by an employee of the State or subgrantee.
    - Public utility costs.
    - Travel.
    - Rental of real or personal property.

- c. Encumbrances are not allowable beyond the project end date, with the following exceptions:
  - Those made by the fiscal authority to accrue funds from which to pay bills created before the project end date.
  - Those made for accounting services to cover compliance with the Single Audit Act provisions.
- d. Examples of encumbrances, allowed and not allowed, at the close of a project:
  - Books ordered before the project end date may be received and invoices paid until the close of the liquidation period, as funds are accrued to pay these bills.
  - A telephone bill may be paid after the project end date but additional new calls may not be covered with grant funds.
  - Personal services contracts or other work arrangements may not be extended beyond the project end date by encumbrance, because work would be performed beyond the close of the project.
- e. The final 10% grant award is payable only if the grant recipient fulfills all project reporting requirements and returns all unspent grant funds by the time specified in the grant program.
- f. Projects have 45 days following termination of the grant award period to liquidate funds obligated or encumbered. The report of liquidation (on form LSTA 8) is due *no later than* 60 days after the project end date.

### 6. Project Closing Timetable:

- a. All federally funded program activity ceases on the project end date.
- b. All services must be performed and funds must be expended or encumbered by the project end date, or returned. Prior to the last weeks of the project, the grantee should discuss any planned final encumbrances with the grant monitor to ensure that the encumbrances are appropriate.
- c. Fourth quarter financial statement is due within 30 days of the project end date.
- d. Final Program Narrative Report (LSTA 9) is due within 30 days of the project end date, for all projects and covers the entire project year.
- e. Any project funds not expended or encumbered by the project end date must be returned to the State Library within 30 days of the project end date. A check payable to the California State Library must be remitted. The check must bear reference to LSTA and the grant award number of the project for which funds are being returned.
- f. Liquidation of encumbrances report is submitted on the Quarterly Financial Report (LSTA 8). Any funds not liquidated are to be returned with the report within 60 days of the project end date.
- 7. Send original (signed in blue ink) and TWO copies by the due date to:

California State Library P.O. Box 942837 Sacramento, CA 94237-0001 Attention: Fiscal Office - LSTA

8. If other than U.S. Postal Service is used; the street address is:

California State Library 900 N Street Sacramento, CA 95814 Attention: Fiscal Office - LSTA